

PUBLIC SERVICE COMMISSION-CONCERNING UTILITY RATE INCREASE

Ameren Missouri is asking the Public Service Commission for a 14% utility rate increase for their residential electricity consumers.

If the proposal is fully approved, it will *further* put the health, growth and development of low-income children in Missouri at risk.

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Low-income children are *already* at risk due to two problems:

Missouri Public
Service Commission

1. The Home Energy Affordability Gap is increasing.

- Home energy affordability gap (HEAG): the difference between a families' *actual* home energy bill and an *affordable* home energy bill.
 - An affordable home energy bill is 6% of gross household income.
 - Over the past ten years, **the average HEAG has increased by 280%**.
 - In 2002, the HEAG was \$453.
 - In 2011, the HEAG was \$1,268.

2. Support for low-income families is shrinking.

- Low Income High Energy Assistance Program (LIHEAP) funding has seen **substantial budget cuts** over the past few years **while serving more families** each year:
 - In 2010, the budget allocation was \$107.1 million for 165,669 households.
 - In 2011, the allocation *decreased* to \$100.2 million while serving *more* households: 173,952.
 - In 2012, the allocation was substantially cut to \$68.2 million (households served TBD).
 - In 2013, the allocation is proposed to drop to \$55.3 million.
 - This just over half the budget allocation just three years ago.

Because of these two problems, low income families are unable to pay their high energy bills. These **unaffordable energy bills lead to household budget trade-offs and medical complications.**

Infants and toddlers who live in energy insecure households are more likely to be in poor health. Here's why:

Households with energy insecurity often:

1. **Rely on risky alternatives to heat their homes**, like using a gas oven or a kerosene heater
 - Without adequate ventilation, these methods increase the risk for fire.
 - RISKS FOR CHILDREN:
 - Burns
 - Carbon monoxide poisoning
2. **Become food insecure**

St. Charles

Witness Exhibit No. 2Date 8-15-12 Reporter ARKFile No. ER-2012-0166

- 46% of low income households went without food at some point in the last year to pay home energy bills
- RISKS FOR CHILDREN:
 - More likely to visit the ER and require admission to the hospital
 - 32% more likely to be admitted to the hospital
 - Develop iron deficiency anemia
 - Decreases the body's ability to deliver oxygen to vital organs and can cause irreversible impaired cognitive development
 - Develop behavioral and emotional problems
 - Aggressive behavior in school or daycare
 - Be underweight (defined as less than 5% weight for age)

3. Forgo medication

- 45% of low income households failed to take a prescribed medication due to home energy costs.

4. Move to a residence with substandard living conditions

- If home energy costs are too high, low income families frequently move to a residence with more affordable utilities. Often times, in exchange for affordable energy, the families must live with:
 - Mold exposure
 - Lead exposure
 - Rodent infestation
- RISKS FOR CHILDREN
 - Harm children's health, growth, and development
 - Particularly put the child at risk for asthma and allergies

We request that the Public Service Commission:

1. Require AmerenUE to:
 - a. **Maintain and enforce shut-off protection** for low-income families with children who are delinquent on home energy.
 - b. **Provide increased need based financial assistance** reserved for low income families with children or those with disabilities.
 - c. **Maintain and make public accurate data collection** on the number of Missouri households that have delinquent home energy bills, have received disconnection notices, or have had their utility service disconnected due to failure to pay. These data will allow for accurate **accounting of need** and therefore **allow better governance**.
2. **Consider the health and well-being of Missouri children** in determining whether or not the recent rate request is reasonable.

References:

Cook, J.T., et al. A Brief Indicator of Household Energy Security: Associations with Food Security, Child Health, and Child Development in US Infants and Toddlers. *Pediatrics* 2008; 122; e867

Frank, D.A., et al. Heat or Eat: The Low Income Energy Assistance Program and Nutritional and Health Risks Among Children Less than 3 Years of Age. *Pediatrics* 2006; 118; e1293

Fuel for Our Future, Impacts of Energy Insecurity of Children's Health, Nutrition, and Learning. Published by Children's Sentinel Nutrition Assessment Program (C-SNAP) in collaboration with Citizen's Energy Corporation

Paid But Unaffordable: The Consequences of Energy Poverty in Missouri—and Elsewhere. By Roger Colton. An overview of a study commissioned by the National Low Income Energy Consortium (NLIEC).

Unhealthy Consequences: Energy Costs and Child Health. A Child Health Impact Assessment of Energy Costs and the Low Income Home Energy Assistance Program. Prepared by the Child Health Impact Working Group. April 2007

Home Energy Affordability Gap. Fisher Sheehan & Colton, Public Finance and General Economics.
http://www.homeenergyaffordabilitygap.com/08_AboutFSC2.html

Missouri LIHEAP Facts. Campaign for Home Energy Assistance.
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